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Still a Player

The strength of agriculture in Stearns County continues to drive the area's economy.

By Dawn Zimmerman

The cow pastures and chicken coups are becoming few and far between in the St. Cloud area, but the strength of agriculture in Stearns County continues to drive the area economy and provide more opportunities for businesses in a variety of industries.

Just drive by Crossroads Center in St. Cloud on a Saturday and it's clear that the surrounding agricultural-driven communities are fueling the mall's sales. Crossroads Center draws from a 90-mile radius - four times the amount of other regional centers of its size, said Darcy Eigen, general manager.

The larger-than-average radius means Crossroad's customers are more diverse and the mall avoids the typical swings in sales due to economic conditions. That customer diversity and sales stability also has allowed Crossroads to attract retailers that typically do not come to a community of St. Cloud's size, Eigen said. "We've been able to create higher sales per square foot and attract Tier Two retailers," like Coldwater Creek, J. Jill and The Limited, according to Eigen.

But that's just the beginning of the boost agriculture gives to the Stearns County economy. A recent report from the Minnesota Department of Agriculture found that the livestock industry alone provides an annual economic impact of \$2.16 billion.

The retail and wholesale sectors are among the top beneficiaries with the livestock industry providing an estimated \$84.14 million, according to the report released in August. The service industry receives the largest benefit at \$97.62 million, but other sectors such as transportation and finance also receive a substantial boost each year.

"(The report) tells the story we hoped it would tell. Now we have proof of the importance of this industry," said Su Ye, economist for the Minnesota Department of Agriculture and author of the Stearns County economic impact report. One Minnesota dairy cow provides \$15,524 in annual economic activity through its impact on transportation, trade and other services, according to another recent analysis by Ye.

Agriculture is the county's third largest producing sector, behind manufacturing and wholesale and retail trade. Livestock production and processing drives the sector, contributing 87 percent of the county's total agricultural output and 71 percent of agricultural employment, according to the report. The livestock industry provides 4,235 jobs in the county and supports a total of 14,287 people.

That may come as no surprise given that some of the industry's leading producers like Gold 'n Plump Poultry, Jennie-O and Kraft are located within the county. Gold 'n Plump alone employs 950 people at its operations in St. Cloud and Cold Spring, and partners with more than 250 family farmers in Minnesota and Wisconsin. Poultry production from producers like Gold 'n Plump account for 36 percent of the total livestock sector and provide 1,218 jobs in the county, according to the report.

Gold 'n Plump also spends 90 percent of its production costs near its local operations in Minnesota and Wisconsin, and bolsters the state's agriculture sector by buying about five million bushels of corn each year to feed its growers' chickens. The company aims to buy about 80 percent of that feed from Minnesota producers.

Stearns County remains the leader in agriculture statewide with \$375.6 million in annual cash receipts, according to the Minnesota Department of Agriculture. The county ranks No. 1 in farm production and is the state's top producer of livestock, cattle, dairy, oats and hay.

The county's strength lies in its centralized location within the state, and proximity to leading producers and a wealth of support services such as feed distributors and financial services. "We're very fortunate compared to other counties," said Rob Sip, a local land use planner with the Minnesota Department of Agriculture. "Stearns County has positioned itself really well with agriculture infrastructure."

Over the past three decades, Stearns County's livestock industry has grown an average of 5.2 percent a year, according to the report. Recently, record commodity prices, improved technology and better yields have provided a productive climate for area producers and further padded their bottom lines. In many cases, producers - both small and large - are investing their profits in infrastructure, including expanded facilities and additional grain bins, barns and storage structures, Sip said.

That increased activity has kept contractors in the region's outlying rural areas busy despite a national residential slowdown, according to Sip. Simonson Lumber Co. in St. Cloud has not capitalized on that specialized market, but manager Joe Helm said the opportunities for construction companies grow in Minnesota and the Dakotas as you move farther from metro areas like the Twin Cities and St. Cloud. Helm said businesses throughout the St. Cloud area benefit from farm families who are drawn to the regional hub to shop and receive other services. They help keep activity consistent and business stable.

But it's also what's leaving the county that generates such strong economic impact. Agriculture represents the largest exporting sector in the county at \$721 million in goods a year, the report says. Agriculture leads the state in both domestic and foreign exports, providing a wealth of jobs and revenue for the area's transportation sector.

A push for natural goods, renewable energy and the use of methane digesters will continue to fuel opportunities and growth within the agriculture industry, Sip said. More eco-friendly consumers already have increased demand for farmers markets throughout the region. The number of farmer's markets promoted by the state has more than doubled in the past five years to 110 markets, according to the University of Minnesota Central Regional Sustainable Development Partnership.

"Agriculture is the future of food, fiber, fuel and fertilizer production not only in Minnesota, but in other parts of the U.S. and globally," Sip said.

Dawn Zimmerman owns The Write Advantage in St. Cloud, Minn.

BREAKOUT

By the Numbers

1: Stearns County's state ranking in farm production, livestock production and dairy and cattle production.

\$1.1 million: Output from Stearns County's agriculture industry.

72 percent: Amount cattle and poultry contribute to Stearns County's total farm production.

\$49 million: Amount of Stearns County's agriculture goods exported outside of the U.S. with poultry and cheese topping the list.

20 percent: Amount livestock processing contributes to manufacturing output.

15: Number of jobs created by every \$1 million increase in cattle and dairy production.

BREAKOUT:

Interested in learning more about Agriculture in Central Minnesota?

Visit the Central Minnesota Farm Show!

Where: St. Cloud Civic Center

When: February 26 – 28, 2008 from 9 a.m. – 4 p.m.

Cost: Free and open to the public

Sponsor: St. Cloud Area Chamber of Commerce

What you will see: Over 150 vendors displaying everything from farm equipment to computer software, feed and seed products to financing.

For more information: 320-251-2940

Stearns County livestock's impact on area industries

Sectors	Impact (In millions)
	\$
Agricultural Production/Processing	1,443.48
	\$
Services	97.62
	\$
Wholesale/Retail Trade	84.18
	\$
Finance, Insurance, and Real Estate	75.99
	\$
Construction	56.72
Transportation, Communication and Public Utilities	\$
	53.61
	\$
Manufacturing	49.88
	\$
All Other	45.39
Total	\$ 2,161.80

Source: Minnesota Department of Agriculture